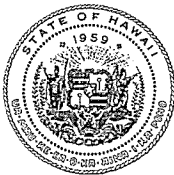


LINDA LINGLE
GOVERNOR
STATE OF HAWAII



KAULANA H. R. PARK
CHAIRMAN
HAWAIIAN HOMES COMMISSION

ANITA S. WONG
DEPUTY TO THE CHAIRMAN

ROBERT J. HALL
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

February 3, 2010

Mr. Roger J. Boyd
Deputy Assistant Secretary for Native American Programs
Department of Housing and Urban Development
451 Seventy Street SW, Room 4126
Washington, DC 20410

Dear Mr. Boyd:

Subject: Request to add House Construction as an approved activity for the 2008 NHHP and the 2008 NHHP ARRA Amendment

On September 3, 2008, the Department of Hawaiian Home Lands (DHHL) received notification that the 2008 Native Hawaiian Housing Plan (NHHP) was accepted and that funding in the amount of \$8,700,000.00 was available.

Per the 2008 NHHP, Goal 1 is to "Increase the affordable housing inventory on Hawaiian home lands to meet the increasing or unmet demand for housing by low-income native Hawaiian families." DHHL proposes to add a new objective under Goal 1 as follows:

Objective 1C: Increase the supply of affordable housing units by providing funding for house construction for single-family housing which may include solar water heating, photovoltaic panels, and/or other energy efficient features.

Task: Provide funding for at least one single-family residential subdivision on the island of O'ahu to serve at least 18 eligible families.

Accordingly, DHHL proposes to amend the 2008 NHHP budget as follows:

	<u>Original Budget</u>	<u>Proposed Amendment</u>
Block Grant	\$8,700,000	\$8,700,000
Program Income	\$174,000	\$174,000 ¹
Total	\$8,874,000	\$8,874,000
*Development	\$5,174,000	\$6,214,000
*Loan Programs	\$1,000,000	\$500,000
*Grants/Subsidies	\$1,540,000	\$1,000,000
Housing Services	\$575,000	\$575,000
Crime Prevention & Safety	\$50,000	\$50,000
Model Activities	\$100,000	\$100,000
Administration & Planning	\$435,000	\$435,000
Total	\$8,874,000	\$8,874,000

* notates changes

Likewise, our letter dated January 25, 2010 requested your consideration for the activity of "house construction" as a possible use for ARRA funds. Attached is a proposed amendment to the 2008 NHHP ARRA Amendment that was approved by your office per your letter dated May 8, 2009. This attachment provides additional details with specific regard to the use of ARRA funds by DHHL.

Your favorable consideration of these requests are appreciated.

If additional information is needed, please contact Scottina Malia Ruis, Resource Management Specialist (NAHASDA) at (808) 620-9513; or e-mail scottina.ruis@hawaii.gov.

Aloha and mahalo,



Kaulana H.R. Park, Chairman
Hawaiian Homes Commission

C: Claudine Allen, Native Hawaiian Specialist

Attachment

¹ Although NHHBG funds were returned to LOCCS, principal and interest payments will continue.

2008 NHHP ARRA AMENDMENT #2

Recipient Name: Department of Hawaiian Home Lands

Recipient Contact Person: Scottina Malia Ruis, NAHASDA Planner

Recipient Telephone Number: (808)620-9513

Email Address: scottina.ruis@hawaii.gov

NHHBG Amount (Recovery Act): \$10,200,000.00

Program/Project Number: 08SHGHI0001

Program Description

(This should adequately describe the programs that are planned)

This portion will remain the same as original 2008 NHHP ARRA Amendment.

Pursuant to the 2008 Native Hawaiian Housing Plan;

Goal Number 1: Increase the affordable housing inventory on Hawaiian home lands to meet the increasing or unmet demand for housing by low-income native Hawaiian families.

Objective 1A: Increase the supply of affordable housing units through the construction of infrastructure improvements for single-family housing.

Tasks and Activities:

- i. Construct infrastructure improvements for at least one single-family residential subdivision on the island of O'ahu to serve at least 20 eligible families and one on an outer island to serve at least 20 eligible families.

This goal, objective and task will not change as the ARRA funding will be focused on infrastructure development, specifically hard costs as per the ARRA regulations, in two different single-family residential subdivisions on O'ahu. The two projects targeted for the ARRA funding are Kaupuni Village, an 18 unit development on the Leeward coast of O'ahu of which all 18 units will be reserved for NAHASDA eligible households, and East Kapolei II, a 1,000 unit master planned community located in the Ewa Plains of O'ahu. Approximately 20% of the 1,000 East Kapolei II units, or 200 units, will be reserved for NAHASDA eligible households. East Kapolei II is a multi-year, multi-increment development project and the ARRA funds will be focused on infrastructure improvements for East Kapolei II, increments B & C. House construction for East Kapolei II is expected to begin in 2011 and should run through 2017.

The Eligible Activity from the list provided below is **(9) Site Improvements for Homeownership Housing.**

The intended outcomes are :

1. To assist renters to become owners of energy efficient homes.
2. To begin site improvements for affordable homeownership housing.
3. To preserve and create jobs and promote economic recovery.

Tasks Under This Program to be Completed During 36-Month Period

(List the specific tasks that will be accomplished under the new goal, activity, and program during the next 36 months. These tasks will be the basis for reporting under the Recovery Act).

This portion will remain the same as original 2008 NHHP ARRA Amendment.

Goal 1, Objective 1A, Tasks and Activities:

- i. Construct infrastructure improvements for one single-family residential subdivision on the island of O'ahu to serve at least 18 eligible families, when home construction is completed.
- ii. Begin infrastructure improvements for one single-family residential subdivision on the island of O'ahu to serve at least 47 eligible families, when home construction is completed.

This portion is being added.

Goal 1, Objective 1C, Tasks and Activities:

- i. Provide funding for at least one single-family residential subdivision on the island of O'ahu to serve at least 8 eligible families, or the pro-rated number of families based on total house construction costs and the percent of ARRA funds being allocated for the project.

Amended Table on Anticipated Outputs for 36-Month Period

Program Activity	Output for 36-month period
Development – Homeownership	
Infrastructure Development (Kaupuni Village)	Site Improvements for 18 lots
Infrastructure Development (East Kapolei II B & C)	Site Improvements for 47 lots
Infrastructure Development (East Kapolei I)	Off Site Improvements for 81 lots
House Construction (Kaupuni)¹	House Construction of 8 homes²
Number of jobs created and/or retained (14 jobs per million \$ spent) ³	140

¹ This portion being added.

² Number of homes to be built will be based on the percentage of ARRA vs. NHHBG funds allocated.

³ Estimates based on State of Hawaii Department of Business, Economic Development and Tourism methodology.

This portion is being added.

DHHL proposes adding house construction as an eligible ARRA activity through:

Goal 1, Objective 1C: Increase the supply of affordable housing units by providing funding for house construction for single-family housing which may include solar water heating, photovoltaic panels, and/or other energy efficient features.

The Eligible Activity from the list provided below is **(2) Construction of Homeownership Housing**.

The intended outcomes are :

- 1) To assist renters to become owners of energy efficient homes.
- 2) To facilitate the construction of new homes for eligible households.
- 3) To preserve and create jobs and promote economic recovery.

Eligible Activities May Include (citations below all reference sections in NAHASDA):

- (1) Acquisition of Rental or Homeownership Housing [810(b)(1)]
- (2) Construction of Rental or Homeownership Housing [810(b)(1)]
- (3) Rehabilitation of Rental or Homeownership Housing [810(b)(1)]
- (4) Acquisition with Rehabilitation for Homebuyer Units [810(b)(1)]
- (5) Rehabilitation Assistance to Existing Homeowners [810(b)(1)]
- (6) Development of Emergency Shelters [810(b)(1)]
- (7) Conversion of Other Structures to Affordable Housing [810(b)(1)]
- (8) Development of Utilities and Utility Services for Homeownership Housing [810(b)(1)]
- (9) Site Improvement (e.g. Installation of Roads and Drainage) for Homeownership Housing [810(b)(1)]
- (10) Planning and Administration [802(d)]

Intended Outcomes May Include:

- (1) Reduce over-crowding
- (2) Assist renters to become homeowners
- (3) Improve quality of substandard units
- (4) Address homelessness
- (5) Create new affordable homeownership units
- (6) Assist affordable housing for students
- (7) Provide accessibility for disabled/elderly persons
- (8) Improve energy efficiency
- (9) Other (provide description): _____

Budget Amendment – all funds noted to be expended in 36 month period.

Original 2008 NHHB ARRA Amendment Budget

Program Activity	ARRA Funds budgeted	Other NHHBG Funds budgeted	Non NHHBG Funds budgeted	Total funds budgeted
Development				
Infrastructure for Kaupuni Village	\$1,700,000	\$0	\$0	\$1,700,000
Infrastructure for East Kapolei II	\$8,500,000	\$3,046,000	\$29,226,547	\$40,772,547
Total:	\$10,200,000	\$3,046,000	\$29,226,547	\$42,472,547

Revised 2008 NHHB ARRA Amendment Budget

Program Activity	Status of Activity	ARRA Funds budgeted/ obligated	Other NHHBG Funds budgeted	Non NHHBG Funds budgeted	Total funds budgeted/ obligated
Development					
Kaupuni Village Infrastructure	Obligated ⁴	\$2,565,943.48	\$0	\$0	\$2,565,943.48
East Kapolei II B & C Infrastructure	Anticipated ⁵	\$5,000,000.00	\$0	\$29,226,547	\$34,226,547
East Kapolei I Infrastructure	Subject to Wetlands 8-Step Process ⁶	\$2,634,056.52	\$365,943.48	\$0	\$3,000,000
OR House Construction for Kaupuni Village	Back Up Project	\$2,634,056.52	\$3,865,943.48	\$0	\$6,500,000
Total:		\$10,200,000⁷	\$4,231,886.96⁸	\$29,226,547	\$46,292,490.48

Recipient Signature: _____



Kaulana H.R. Park, Chairman
Hawaiian Homes Commission

Date: 2/8/2010

⁴ Total obligated as of 12/31/2009 for this project.

⁵ Amount estimated based on bids submitted.

⁶ Balance of ARRA funds to be obligated by May 6, 2010.

⁷ Only EKI Infrastructure or Kaupuni House Construction included in total of \$10,200,000

⁸ Amount includes both EKI Infrastructure balance anticipated and Kaupuni House Construction balance. The project that is not funded by ARRA will be funded, in its entirety, with NHHBG.